

United States House of Representatives



**Subcommittee on National Security,  
Emerging Threats and International Relations**

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**GAO Reports Progress in Efforts to Rightsize Embassies,  
Cut Costs and Improve Services**

***Recommends Actions to Accelerate Rightsizing***

WASHINGTON, DC—Congressman Christopher Shays, Chairman of the House Government Reform Subcommittee on National Security, Emerging Threats and International Relations, today announced the release of the last of three Government Accountability Office (GAO) reports on U.S. government efforts to rightsize the number of staff assigned to embassies, cut costs, and improve the provision of services. The first two reports addressed the Department of State's initiative to provide support services remotely and the U.S. government's overall effort to rightsize its presence overseas. Today's report discusses efforts by the State Department and the U.S. Agency for International Development to consolidate duplicative services overseas.

*Overseas Presence: State and USAID Should Adopt a Comprehensive Plan to Improve the Consolidation of Overseas Support Services*, reports that the State Department and US Agency for International Development (USAID) have demonstrated consolidating services is feasible and could reduce costs and improve services. However, the State Department and USAID face several challenges in consolidating services, and need to develop better cost and performance data. GAO recommends designating overseas service consolidation a priority, developing a plan for consolidating services that details the desired outcome, and setting timelines as well as performance criteria for success.

Shays was the requester of these reports and has been a strong supporter of rightsizing efforts. If properly managed, rightsizing initiatives could save taxpayer dollars, eliminate duplicative and unnecessary services, and improve the way embassies operate.

"Since we first began to focus attention on this critical component of U.S. operations abroad in the late 1990s, the Department of State and USAID have made considerable progress in a logistically, technically demanding process," Shays stated. "I applaud their initiative and willingness to consolidate support services, which will improve the

efficiency of operations and strengthen our national security and the safety of our civil servants abroad.”

Following the 1998 U.S. embassy bombings in Africa, the United States began to re-evaluate the number and location of U.S. embassy and consulate personnel to consolidate overseas staffing, minimize the U.S. footprint abroad, maximize cost savings, and improve security. In the wake of hearings and a report by this Subcommittee, in 2004 the Office of Rightsizing within the State Department was established to coordinate overall U.S. government rightsizing efforts.

Shays added, “Efforts to rightsize the U.S. presence, including actions to implement the GAO recommendations, have the potential to save millions of dollars. Indeed, the State Department has reported that its efforts to date have already resulted in over \$150 million in savings.”

## **Summary of Prior Reports**

*Overseas Presence: Cost Analyses and Performance Measures Are Needed to Demonstrate the Full Potential of Providing Embassy Support Remotely*, released in May 2006, reported that the Department of State has several regional and domestic offices that provide management services remotely, including financial management and human resource services. However, the Department of State faces a number of challenges in expanding its use of remote support and had neither analyzed the potential cost savings that could result from providing some services from remote locations, nor assessed the quality of the support provided. GAO recommended that the Department of State identify and analyze the various costs of providing support remotely; develop a means to measure customer satisfaction with the services provided; and use the cost analyses and customer satisfaction feedback to decide when to provide support services remotely.

*Overseas Staffing: Rightsizing Approaches Slowly Taking Hold but More Action Needed to Coordinate and Carry Out Efforts*, released in June 2006, cautions that almost five years into the rightsizing effort, the U.S. government still lacks accurate data on the size of the U.S. overseas presence. For example, estimates of the number of U.S. government personnel overseas range from 66,000 to 69,000. Moreover, while the State Department’s Office of Rightsizing has begun to provide overall direction to the government-wide rightsizing process, non-State agencies have voiced concerns about the process and want to be more included. GAO recommended that State complete and maintain a unified database to accurately capture and record the number of U.S. government personnel overseas, improve its efforts to coordinate rightsizing plans with non-State agencies, and require that posts develop rightsizing action plans.